



# NEWS RELEASE

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## ***SBA SIGNS AGREEMENT WITH LENDERS IN HISTORIC MOVE TO OPEN DOORS OF OPPORTUNITY***

**PHOENIX, AZ. – An agreement signed today between the U.S. Small Business Administration (SBA) and a major trade group of SBA lenders will help increase economic opportunities for “New Market” small businesses – start-ups, businesses in inner cities and rural areas, and women and minority-owned firms, SBA Administrator Aida Alvarez said today.**

Administrator Alvarez termed the agreement with the National Association of Government Guaranteed Lenders (NAGGL) an historic step in expanding economic opportunity. NAGGL’s 680 members originate an estimated 75-80 percent of SBA-guaranteed small business loans. Its membership includes a majority of the nation’s most active SBA lenders.

**“As a direct result of this agreement, SBA’s loan programs will provide many more Americans with access to the winner’s circle of this new economy,” said Administrator Alvarez. “By opening doors for these new small businesses, we will help build communities, one small business at a time.**

**“This year, we have built the foundation for our New Markets Initiative and we have launched strategies that will help us to reach our goals,” Administrator Alvarez continued. “We have signed partnership agreements with major organizations representing women and minority business owners, and we have redesigned our loan products to better fit the needs of the New Market communities.**

**“The agreement with NAGGL adds another essential element of this outreach effort, bringing our key lending partners into the initiative. It demonstrates in a very tangible way the strong commitment that NAGGL and SBA have made to increase economic opportunity for the new, emerging small businesses of tomorrow.”**

Under the agreement, NAGGL and SBA will undertake a variety of training programs designed to help creditworthy New Market small businesses obtain commercial financing through the use of SBA’s 7(a) General Business Loan Guaranty program.

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98-96/Page Two

NAGGL will develop and conduct approximately 25 lender seminars during the coming year designed to encourage lenders to expand their lending to eligible creditworthy small businesses in the New Markets.

NAGGL and SBA also will cosponsor an education and training program for intermediaries to provide information on the availability of SBA programs and to improve the skills necessary to assist New Market small businesses to obtain financing through SBA’s 7(a) program. These intermediaries will, for example, help small businesses prepare loan applications.

Administrator Alvarez said SBA’s two newest loan programs will be especially helpful to lenders and the SBA: *SBA<sup>LowDoc</sup>* and *SBA<sup>Express</sup>*. The two programs target a gap in the marketplace for small business loans under \$150,000, offering reduced paperwork, a 36-hour turn-around and features such as a revolving line of credit.

**“This landmark agreement in combination with these two small loan programs will play a significant role in helping SBA meet its aggressive outreach goals over the next two years,”** Administrator Alvarez said. **“By making small loans more accessible to those New Market firms that need them, we are taking a major step forward to position SBA and the nation’s entire small business community for the new economy of the 21<sup>st</sup> century. At the SBA, we are streamlining and partnering for greater small business success than ever before.”**

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*The U.S. Small Business Administration, established in 1953, provides financial, technical and management assistance to help Americans start, run, and grow their businesses. With a portfolio of business loans, loan guarantees and disaster loans worth more than \$45 billion, the SBA is the nation's largest single financial backer of small businesses. Last year, the SBA offered management and technical assistance to more than one million small business owners. The SBA also plays a major role in the government's disaster relief efforts by making low-interest recovery loans to both homeowners and businesses. America's 23 million small businesses employ more than 50 percent of the private workforce, generate more than half of the nation's gross domestic product, and are the principal source of new jobs in the U.S. economy.*

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